

“Indemnification” Contracts Granted To Companies Operating In Iraq Appear To Have Fewer Taxpayer Protections Than Contracts For Work In U.S.

Blumenauer: DoD Disclosure A “Victory For Transparency”

Washington, DC – Today, Congressman Earl Blumenauer released a response by the Department of Defense to his inquiry into contracts with “indemnification” clauses – promises that taxpayers will pick up the tab in cases where military contractors incur liability while executing contracts. In all, the DoD response indicates that 123 contracts include these previously undisclosed provisions.

“This is a victory for transparency in the military’s contracting process,” **said Blumenauer**. “By uncovering more than 120 military contracts that include taxpayer liability provisions, this inquiry has given taxpayers a broad picture of where their money is – and could be – going.”

The documents cover a range of military contracts for work conducted in the U.S. and in Iraq. They show taxpayer liability clauses in contracts granted to (among others) the makers of the anthrax and smallpox vaccines, firms operating hazardous materials facilities in the United States and a company tasked with recovering potential radioactive materials during the Iraq invasion.

The full DoD response can be viewed [here](#) .

Summaries of the contracts provided by the DoD appear to show a diligent, responsible process for work carried out in the United States that protects taxpayers from liability in cases of contractor negligence, but far looser standards for work in Iraq. In addition, the DoD continues to refuse declassification for the taxpayer liability section of its “Restore Iraqi Oil” contract with KBR in Iraq – a contract that is the subject of a lawsuit in Oregon in the wake of news that KBR

exposed dozens of Oregon Guardsmen to cancer-causing chemicals at its Qarmat Ali facility.

“These documents suggest that contracts associated with our Iraq war efforts may not contain sufficient taxpayer protections in cases of contractor negligence,” **said Blumenauer**. “I remain concerned that KBR’s contract may be much more loosely drawn, removing incentives for the contractor to behave responsibly and exposing taxpayers to enormous liability and our troops to harm. Why is the Pentagon shielding this contract and protecting KBR? I will continue demanding answers on behalf of our Oregon Guardsmen and will ask once again for this portion of KBR’s contract to be declassified.”

In September, after meeting over the summer with Oregon Guard members affected by hexavalent chromium exposure at KBR’s facility in Iraq, Blumenauer organized a bipartisan group in the House and Senate in introducing legislation to require regular reporting to Congress of contracts with taxpayer liability clauses. The legislation would also require taxpayer protection against liability in cases of contractor negligence.

Complete information on the legislation can also be viewed [here](#) .